GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:558
ANSWERED ON:23.02.2001
FOODGRAINS STORAGE FACILITIES IN RURAL AREAS
KINJARAPU YERRANNAIDU

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Union Government proposed to allocate funds to various States forsetting up of storage facilities for Foodgrains in rural areas; and

(b) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI CHAUHAN)

(a) The Government is operating a centrally sponsored scheme namely `Construction of Godowns`to strengthen the Public Distribution System (PDS) in all States/Union Territories for construction of godowns upto 2000 tonnes capacity to ensure smooth flow of PDS commodities especially in rural, remote, hilly and tribal areas.

(b) Financial assistance is provided to State Governments/ UT Administrations on 50% grants- in-aid (subsidy) and 50% loan basis. The funds are to be utilised within two years of the date of sanction. Loan is repayable in five annual instalments. In case of default penal rate of interest is charged. Proposals for construction of godowns by the State Governments have to beaccompanied by technical estimates and a certificate that land is available. Utilisation certificate of past assistance, if any, is a necessary precondition for consideration of fresh proposals.